

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 04983 121014Z
ACTION NEA-10

INFO OCT-01 ISO-00 TRSE-00 L-03 EB-08 COME-00 SSO-00
/022 W

-----086735 121023Z /12

O R 120957Z SEP 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC IMMEDIATE 1806
INFO AMEMBASSY ABU DHABI
USINT BAGHDAD POUCH
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN

C O N F I D E N T I A L KUWAIT 4983

DEPT. FOR NEA/ARP

DEPT. PASS TREASURY

E.O. 11652: GDS
TAGS: EFIN, KU
SUBJECT: GOK REQUESTS INFORMATION ON PROPOSED IRS REGULATION
CHANGE RE SECTION 892 INTERNAL REVENUE CODE EXEMPTION

1. KHALID ABU SAUD, PERSONAL FINANCIAL ADVISOR TO THE AMIR
OF KUWAIT REQUESTED URGENT EMBASSY ASSISTANCE ON FOLLOWING
MATTER. ABU SAUD HAS BEEN ADVISED BY U.S. BANKERS HANDLING
KUWAITI FINANCIAL AFFAIRS IN THE U.S. OF PROPOSED
REGULATION CHANGE BY IRS CONCERNING EXEMPTION ALLOWED TO
FOREIGN GOVERNMENTS UNDER SECTION 892 OF THE INTERNAL
REVENUE CODE, AND SECTION 1.892-1 OF THE IRS REGULATIONS.

2. HE UNDERSTANDS CHANGE WILL BE EFFECTIVE OCT. 16 AND
SEEKS WHATEVER INFORMATION IS AVAILABLE. THE AMIR, ACCORDING
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TOSAUD, IS VERY CONCERNED THAT NEW REGULATIONS WILL BE
RETRO-ACTIVE AND INVOLVE EXTENSIVE TAX LIABILITY ON KUWAIT'S
LARGE U.S. HOLDINGS.

3. EMBASSY IS UNFAMILIAR WITH PROPOSED CHANGE IN
REGULATIONS. WE UNDERSTAND PROPOSED CHANGE MAY SEEK
TO RESTRICT SCOPE OF THE EXEMPTION SO THAT IT DOES NOT

APPLY TO INCOME FROM COMMERCIAL ACTIVITIES.

4. ACTION REQUESTED: PLEASE PROVIDE WHATEVER INFORMATION
AND EXPLANATION ARE AVAILABLE ON PROPOSED CHANGE BY
IMMEDIATE CABLE.
MAESTRONE

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NNNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INFORMATION EXCHANGE, RULES, TAX LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 12 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT04983
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780382-0155
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780977/aaaac1xx.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 77de5b52-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1470972
Secure: OPEN
Status: NATIVE
Subject: GOK REQUESTS INFORMATION ON PROPOSED IRS REGULATION CHANGE RE SECTION 892 INTERNAL REVENUE CODE EXEMPTION
TAGS: EFIN, KU, TRSY
To: STATE
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/77de5b52-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
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